

**CITY OF GUSTAVUS, ALASKA  
RESOLUTION 2010-14**

**A RESOLUTION OF THE CITY OF GUSTAVUS REJECTING THE USE OF CITY FUNDS FOR THE COMMUNITY-WIDE BROADBAND NETWORK PROJECT AND PROVIDING FINANCIAL SUPPORT TO GCN FOR THE CONSTRUCTION OF A CITY OWNED COMMUNICATIONS TOWER IN THE FALLS CREEK HYDROELECTRIC PROJECT AREA.**

**WHEREAS** the City of Gustavus owns and operates the Gustavus Community Network (GCN); and

**WHEREAS** GCN recognizes the need for a community-wide broadband network and has a plan for building a community-wide broadband network; and

**WHEREAS** the dial-up Internet service GCN offers is no longer adequate for most customers and many customers have canceled their GCN dial-up service in favor of data service over the cellular network using their own satellite dishes, even though these are inferior to terrestrial Internet service; and

**WHEREAS** GCN lacks financial resources to build a community-wide broadband network and is barely breaking even due to decreased membership; and

**WHEREAS** GCN has applied for funding to build a community-wide broadband network including with a CIP request in 2008 and most recently a detailed application for federal economic stimulus funds; and

**WHEREAS** applications for such funding have all been denied; and

**WHEREAS** the City of Gustavus has insufficient reserves to fund construction of a community-wide broadband network, even if the project repays the cost of construction over time; and

**WHEREAS** borrowing money for a community-wide broadband network from other sources would require voter approval at an election and consequent delay and uncertainty; and

**WHEREAS** continuing the search for public funds is uncertain to yield positive results but is certain to delay construction beyond the summer of 2010; and

**WHEREAS** there is considerable urgency to build a community-wide broadband network to provide economic opportunities, improve efficiency, save costs, deliver new services, and improve the quality of life; and

**WHEREAS** Internet service may be delivered by the private sector in a timely fashion; and

**WHEREAS** public ownership of a communications facility in the Falls Creek hydroelectric project area is in the public interest because it may host the Gustavus Volunteer Fire Department's emergency radio system and other public and private communications in addition to facilitating a community-wide broadband network;

**NOW THEREFORE BE IT RESOLVED** that the City of Gustavus explicitly rejects lending city reserves to GCN for construction of a community-wide broadband network; and

**BE IT FURTHER RESOLVED** that the City of Gustavus may add up to \$15,000 from city reserves in the form of a grant, with no expectation of repayment, to the GCN FY11 budget for the purpose of building a city-owned multi-purpose communications facility in the Falls Creek hydroelectric project area; and

**BE IT FURTHER RESOLVED** that the City of Gustavus shall seek an agreement with the Gustavus Electric Company to permit construction of said communication facility; and

**BE IT FURTHER RESOLVED** that the City of Gustavus may investigate inviting interested parties to assume ownership and operation of the Gustavus Community Network provided that they expand it into a community-wide broadband network.

**PASSED AND APPROVED** by a duly constituted quorum of the city council this

day of , 2010.

**TABLED**

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Joe Babbler, Council Member

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Melanie Lesh, Council Member

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Jim Mackovjak, Council Member

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John Nixon, Vice Mayor

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Tim Sunday, Council Member

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Karen Taylor, Council Member

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Attest: Kapryce Manchester, CMC  
City Clerk